

Grain supplies and oil refinery: New reports on Cuba's cooperation with Russia



Oil refinery (symbolic image): There is movement in the Cuban-Russian investment plans (Source: [Commons](#))

After Cuba and Russia [signed a whole series of new agreements](#) last year, the implementation of key projects remained quiet for a long time. Although the bilateral exchange of goods has multiplied and Russian tourism is also playing an increasingly important role on the island, the announced major trade and investment projects have not yet materialized. However, recent media reports suggest that this is beginning to change.

Russia and Cuba are considering the construction of a new oil refinery, as the deputy speaker of the Russian parliament, Alexander Babakov, [told](#) the Russian news agency TASS. The plans were apparently discussed during a recent visit by Russian Duma deputies to Havana. "Cuba has oil: it is therefore logical not to import oil products, but to produce them here," Babakov is quoted as saying by the agency.

Cuba has its own low-quality oil reserves, with which the island can cover around 50 percent of its needs. This is mainly used to generate electricity in Soviet-style heavy oil power plants. However, Cuba is dependent on higher-quality imports for the production of fuel and kerosene. As part of the cooperation with Venezuela, the last major investment in the oil sector was in 2008, when the refinery in the central Cuban city of Cienfuegos was modernized and expanded.

In parallel to the energy projects, Russia has now shipped grain from a new Baltic Sea terminal in the port of Ust-Luga to Cuba for the first time, [according to](#) the Reuters news agency. The delivery of 12,000 tons of grain took place in June via the Luga port terminal, which is owned by the Russian private transport company Novotrans.

Cuba hopes that the cooperation with Russia will result in regular deliveries of petroleum products, grain, and artificial fertilizer to cover the basic needs of its struggling economy despite the acute shortage of foreign currency. These three products were already the island's most important imports from the Soviet Union during the Cold War. The [introduction of Russian "Mir" credit card payments](#) in December as part of the promotion of Russian tourism is intended to create a rouble-based mechanism to counter-finance imports.

Just a few days ago, however, there was another sign of the revival of cooperation between Moscow and Havana: following the [five-day "friendship visit"](#) by Russian warships in June, several ships from the Baltic fleet moored in the port of the Cuban capital at [the end of July](#). ([Cubaheute](#))